

January 14, 2016

Christopher J. Kirkpatrick  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st St, N.W.  
Washington, D.C. 20581

Re: Swap Dealer *De Minimis* Exception Preliminary Report ("Preliminary Report"),  
Release No. PR7280-15

Dear Mr. Kirkpatrick,

Daiwa Securities Co. Ltd. welcomes the opportunity to provide comments to the Commodity Futures Trading Commission ("Commission") with respect to the Swap Dealer De Minimis Exception Preliminary Report ("Preliminary Report"). The topic addressed in the Preliminary Report is both essential and important. We appreciated the Commission's thoughtful and comprehensive approach for more efficient regulatory supervision.

With regard to the de minimis calculation for Swap Dealer ("SD") registration, we would provide the following comments and suggestions.

Under the current rules that require swaps executed and/or cleared through Swap Execution Facilities ("SEF") and/or Derivative Clearing Organization ("DCO") to be included in the de minimis calculation, we believe non-U.S. persons who are not registered as SD tend to refrain from trading swaps with U.S. persons to avoid the burdens associated with SD registration. As a result we are afraid that less liquidity would be provided in the US market.

Therefore, we would recommend that swaps executed and/or cleared through SEF and/or DCO should not be included in calculating the de minimis threshold for SD registration.

We believe transparency of trading prices in swaps ordered and executed through a

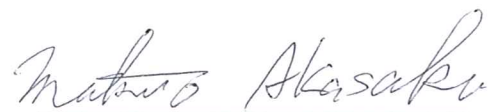
SEF registered with the Commission can be secured by the SEF. Moreover, all the swap data are reported to and deposited with Swap Data Repositories ("SDR"), which are also registered with the Commission. Accordingly, the Commission can access such swap data and fully assess fairness of swaps as well as risk exposures to the US market.

Especially in swaps cleared through a DCO registered with the Commission, counterparties of such swaps are replaced by the DCO and initial/variation margins are recalculated and redeposited every day. Therefore, we believe risk exposures to the US market of such swaps can be kept to the minimum.

And it should be noted even an organized trading platform or a clearing organization which is exempted from registration with the Commission ("exempted SEF or DCO") would have to be subject to comparable, comprehensive supervision and regulation by the appropriate government authorities in their home countries when they have the swaps of the U.S. persons. In such a circumstance it would be reasonable that the exempted SEF or DCO could be equally treated as well as the registered SEF or DCO.

In conclusion we believe that the exclusion of the swaps executed on the registered and exempted SEF and/or cleared through the registered and exempted DCO from the de minimis calculation for SD registration should promote execution on the organized trading platforms and central clearing through the clearing organizations, which consequently improve transparency, mitigate systemic risk and increase liquidity.

Very truly yours,



Makoto Akasaka  
Managing director  
Daiwa Securities Co. Ltd.